Scott Fitzpatrick
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Morgan County

Budget Oversight	The County Commission does not adequately monitor the county's budget-to-actual receipts and disbursements, and did not prepare budget amendments to prevent disbursements in excess of budgeted amounts. Actual disbursements exceeded the county's budgeted disbursements by nearly $3 million for the year ended December 31, 2024.
Public Administrator's Annual Settlements	The Public Administrator does not always file annual settlements timely. During a review of all 53 active cases with annual settlements due in 2024, the audit noted the Public Administrator did not timely file 20 settlements. Settlements for these cases were filed between 1 and 579 days after the due date. The Public Administrator had not filed settlements for an additional 4 cases for deceased wards' estates as of March 3, 2026, with these settlements due during 2018, 2020, 2023, and 2024.
Sheriff's Compensation	The County Commission authorized mid-term salary increases to the Sheriff totaling $37,437 as of December 2024, in violation of constitutional provisions and state law.
Sheriff's Controls and Procedures	Controls and procedures in the Sheriff's office need improvement. Sheriff's office personnel do not issue receipt slips or maintain a record of Sunshine Law request fees received, and do not restrictively endorse checks received for payment of Sunshine Law fees upon receipt. Sheriff commission fees for Sheriff's sales were not properly handled. Commissions totaling $10,081 from sales held prior to July 2022 are maintained in the Sheriff's escrow bank account and have not been remitted to the County Treasurer as required by law. The Sheriff's Office did not have a log of records requested under the Sunshine Law. Sheriff's office personnel do not conduct periodic physical inventories of seized property. Personnel review items one shelf at a time when preparing to submit lists of evidence to the court for disposition; however, records of these reviews are not dated and a complete inventory has not been performed in approximately 6 years. Sheriff's office personnel do not prepare a monthly list of liabilities for the Sheriff's fees bank account, and consequently, they do not agree liabilities to the reconciled bank balance.
County Clerk's Bank Reconciliations	The County Clerk does not perform accurate monthly bank reconciliations or maintain a cumulative book balance for the special elections bank account. We reviewed the November 2024 bank reconciliation, and noted the County Clerk did not perform a bank reconciliation, but instead started with the bank balance, added deposits cleared, deducted checks cleared, and recalculated the ending bank balance; and did not identify 25 checks, totaling $13,924, that remained outstanding at the end of the month. As a result, the County Clerk's reconciled bank balance showed that the account had $23,680; however, after taking into account outstanding checks, the reconciled bank balance should have been $9,756.
Sales Tax Rollback	The county did not calculate all property tax levy reduction amounts or consider whether transfers were needed to the Road and Bridge Fund to replace lost property tax revenue. As a result, the General Revenue Fund owes the Road and Bridge Fund $256,848 for the year ended February 28, 2025.

Electronic Communication Policy	The county has not developed a records management and retention policy that includes electronic communication in compliance with the Missouri Secretary of State Records Services Division guidance, as approved by the Missouri Local Records Commission.
Additional Comments	Because counties are managed by several separately elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Fair**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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RECOMMENDATION SUMMARY

Recommendations in the audit of Morgan County

Budget Oversight	The County Commission monitor the county's disbursements to ensure they do not exceed budget amounts and prepare any necessary budget amendments timely.
Public Administrator's Annual Settlements	The Public Administrator file annual settlements timely as required by state law.
Sheriff's Compensation	The County Commission ensure salary increases comply with statutory and constitutional provisions and consider various methods for possible recoupment of any mid-term salary increases already paid.
Sheriff's Controls and Procedures	The Sheriff: 4.1 Ensure receipt slips are issued for all payments and ensure checks are restrictively endorsed upon receipt. 4.2 Ensure commission fees are disbursed to the County Treasurer timely as required by state law and turn over the existing escrow bank account balance to the County Treasurer. 4.3 Establish and maintain a public request log or other documentation to help ensure compliance with state law. 4.4 Ensure a periodic inventory is conducted and reconciled to the seized property records, and investigate any differences. 4.5 Prepare monthly lists of liabilities and reconcile the lists to the available cash balances. Any differences should be promptly investigated and resolved.
County Clerk's Bank Reconciliations	The County Clerk ensure adequate monthly bank reconciliations are prepared and a book balance is maintained. Any differences should be promptly investigated and resolved.
Sales Tax Rollback	The County Commission and County Clerk transfer $256,848 from the General Revenue Fund to the Road and Bridge Fund for the 2024 property tax reduction. In addition, the County Commission and County Clerk should calculate all annual property tax rate reductions and ensure the Road and Bridge Fund receives general sales tax money equivalent to any corresponding property tax reductions.
Electronic Communication Policy	The County Commission work with other county officials to develop a written records management and retention policy to address electronic communications management and retention to comply with Missouri Secretary of State Records Services Division electronic communications guidelines.